(b) if so, what are the details of the Scheme?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) and (b) As a part of general information system regarding big corporate tax payers, details about corporate performance are kept.

**Supply of Inferior Quality of Tobacco to China by Indian Traders**

3392. DR. YELAMANCHILI SIVAJI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the Chinese Government have lodged a complaint against Indian tobacco traders for supplying inferior stuff; and

(b) if so, what action has been taken against these traders?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) Some complaints were received from the Tobacco Monopoly Organisation of China about supply of unsuitable quality of tobacco during 1981-82.

(b) The Directorate of Marketing and Inspection, Deptt. of Rural Development has taken action against the erring companies since quality control comes under them. The responsible exporters were asked to settle the claims raised by China. Except one company, the remaining exporters have already settled their claims.

**Export of Sub-Standard Quality of Pepper and Tobacco**

3393 DR. YELAMANCHILI SIVAJI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that pepper exports from India to the United States have come down sharply due to stringent quality control measures imposed by the American authority after the detection of rodent and bird excreta in the Indian pepper;

(b) whether it is also a fact that some time back worthless tobacco was exported to China under Government's quality control levels which was rejected by the Chinese authorities thereby adversely affecting the interests of thousands of innocent farmers in Andhra Pradesh; and

(c) if so, what steps Government have taken or propose to take a step misuse of official quality control procedures?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) Yes, Sir.

(b) Yes, Sir.

(c) Agmark authorities have issued instructions for strict enforcement of Quality Control. Surprise checks in grading premises, ports etc. are being carried out. Packages and sealing methods have been made more secure etc.

In regard to pepper, Export Inspection Agency has been declared as an authority for inspection and certification of consignments meant for USA. In addition, the Spices Board and the Export Inspection Agency have drawn up a number of programmes to educate the farmers, intermediary traders and exporters in scientific post-harvest handling of pepper to avoid contamination. The Indian Institute of Packaging is also looking into suitable packaging material for packing and export of black pepper in consumer packs.

**Contract signed by MMTC, Hydro-Trading (Swiss Company) and NALCO for the sale of Alumina**

3394. SHRI SHANKER SINH VAGHELA:

SHRI PRAMOD MAHAJAN:

Will the Minister of COMMERCE be pleased to state:

(a) whether his attention has been drawn to a report which appeared in the 'Indian Express' of 18th March, 1988 that in November, 1987 a fixed

price contract was signed by MMTC, Hydro Trading (Swiss Company) and and NALCO for $160 per tonne for the sale of alumina, while the international price ruling at that time was $ 182.7 (10.50 per cent on average cash London Metal Exchange settlement rate as was included in the Memorandum of understanding signed between the same parties in March, 1987);

(b) whether the rulig international prices were $ 210.25 and 214.20 a tonne as linked to the LME settlement rate at the time of the shipment of February, 1988 and the second shipment made later; and

(c) what are the losses in foreign exchange suffered on these shipments; if the March, 1987 MOU were not cancelled?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) Yes, Sir.

(b) Such a linkage is only hypothetical since the contract finally concluded did not provide for this kind of linkage.

(c) Since there are no internationally posted prices for alumina as in the case of aluminium, the price differentials are not susceptible of any verification. Hence, it would be hypothetical to evaluate the extent of loss of profit, if any, consequent upon entering into a fixed price contract with Hydro Trading.

**Spurt in the price of Essential Commodities**

3395. SHRI M. S. GURUPADASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there has been spurt in the prices of essential commodities;

(b) what is the trend of the prices during the past two and half years of the Seventh Plan period; and

(c) what were the prices during the Sixth Five Year Plan period as compared to the current prices (September 1987)?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The prices of many agro-based essential commodities came under pressure during 1987-88 on account of severe drought. During the current financial year, however, there has been deceleration in the price rise and the prices of wheat and edible oils have actually declined.

(b) The trend in prices as reflected from the movement of the monthly Wholesale Price Index (1970-71-100) (WPI) is given in the attached statement (*See* below)

(c) The WPI for the relevant period is given below:

| **Period :** | **WPI** |
|---|---|
| 6th Plan origin (March 1980) . | 233.2 |
| 6th Plan Terminal (March 1985) | 342.5 |
| September 1987 . . . | 408.9 |

**Statement**

*Movement of WPI during the seventh Five Year Plan*

(Base: 1970-71– 100)

| Months | 1985-86 | 1986-87 | 1987-88 |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| April . . . . . | 350.5 | 363.3 | 381.2 |
| May . . . . . | 353.7 | 368.6 | 390.3 |
| June . . . . . | 357.5 | 373.1 | 394.0 |